Labour Market Notes

Unemployment rate surges, employment unchanged

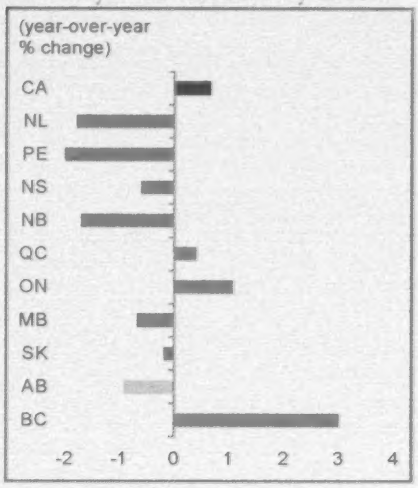
Alberta

- Reprieve in employment losses. Alberta employment was mostly unchanged in February, up a slight 1,400 after falling for the four previous months.
- Private sector gains after 4 months of losses. The private sector gained 25,000 jobs in February, but losses in the public sector (-9,200) and self-employment (-14,300) mostly offset the gains. Full-time employment increased by 10,000, after falling over 20,000 in each of the previous two months. Part-time employment (-8,500) fell in February.
- Losses in natural resources industry. Goods sector employment was essentially unchanged (-700) in February, but the natural resources industry lost 7,400 jobs, the largest monthly loss since October 2014. The service sector gained 2,100 jobs in February, led by professional and technical services (+7,000). Year-over-year (y/y), the goods sector lost 56,000 jobs, while the services sector gained 34,800.
- Unemployment rate spikes again. A surge in the labour force pushed up Alberta's unemployment rate by 0.5 percentage points to 7.9%, the highest rate in over 20 years. The increase in the labour force (+14,100) was caused by an increase in population (+3,900) and the participation rate which rose by 0.3 percentage points to 73.0%.
- Employment weaker than a year ago. Employment fell by 0.9% y/y in February. This equates to 21,200 fewer jobs than February 2015.
- Earnings stay low in 2015. Average Weekly Earnings (AWE) jumped 1.1% from November to $1,147 in December 2015, Despite the monthly increase, earnings remained down 1.0% y/y, due to large employment declines in the high-paying mining, oil and gas sector. On average in 2015, AWE declined by 0.3%, brought down by a 1.6% decline in the goods sector.

Canada

- Canada loses some more jobs. Employment fell by 2,300 in February. Ontario (-11,200), Saskatchewan (-7,800) and New Brunswick (-5,700) lost the most jobs. Compared with February 2015, Canadian employment was up by 117,900, a 0.7% gain.
- Unemployment rate ticks up. The Canadian unemployment rate was up 0.1 percentage points to 7.3% in February.
- Canadian earnings jump in December. Canadian average weekly earnings rose 0.9% from the previous month to $959, and were up 1.7% y/y. Alberta was the only province to have earnings decline year-over-year. On average in 2015, Canadian earnings increased 1.8% due to a 2.3% increase in service sector earnings.

Employment Growth by Province, February 2016 vs. February 2015



Source: Statistics Canada

Alberta Labour Market Indicators

Indicator	Latest*
Employment	2,277,500
month-over-month change	+1,400
year-over-year % change	-0.9%
Alberta Unemployment Rate (UR)	7.9%
Edmonton UR**	6.8%
Calgary UR**	8.4%
Participation Rate	73.0%
Average Weekly Earnings (AWE)	$1,146.56
year-over-year % change	-1.0%
Average Hourly Wage	$29.80
year-over-year % change	3.8%
Job Vacancy Rate***	1.7%

Source: Statistics Canada

* All data is from the February 2016 Labour Force Survey, except AWE which is the December 2015 Survey of Employment, Payrolls and Hours, and the Job Vacancy Rate is for November 2015.

** This indicator is calculated as a three-month moving average and is seasonally adjusted.

*** This indicator is calculated as a three-month moving average and is not seasonally adjusted.

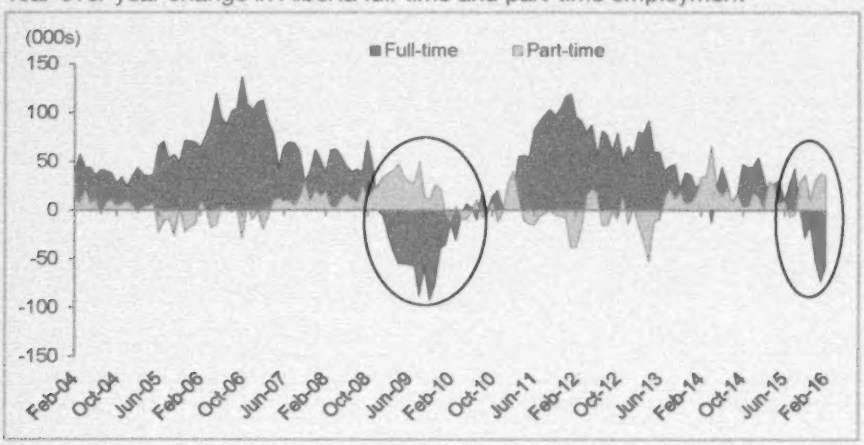
Part-time employment picks up

Since the beginning of 2015, the goods sector has been responsible for a large and disproportionate number of full-time employment losses. While service sector full-time jobs have started to decline year-over-year (y/y), part-time service sector employment has picked up considerably. This month's Labour InSight explores the gains in service sector and part-time employment.

Part-time jobs increase during downturns

Historically, during a downturn as full-time employment declines there is a concurrent increase in part-time employment. For example, during the 2008-09 recession, full-time job losses peaked at 92,100 y/y, while part-time employment gains peaked at 50,200 y/y (Chart 1). This trend seems to be holding for the current downturn. As of February, Alberta has lost 56,300 full-time jobs compared to a year prior, but has gained 35,200 part-time jobs.

Chart 1: Declining full-time jobs corresponds with rising part-time jobs
Year-over-year change in Alberta full-time and part-time employment



Source: Statistics Canada

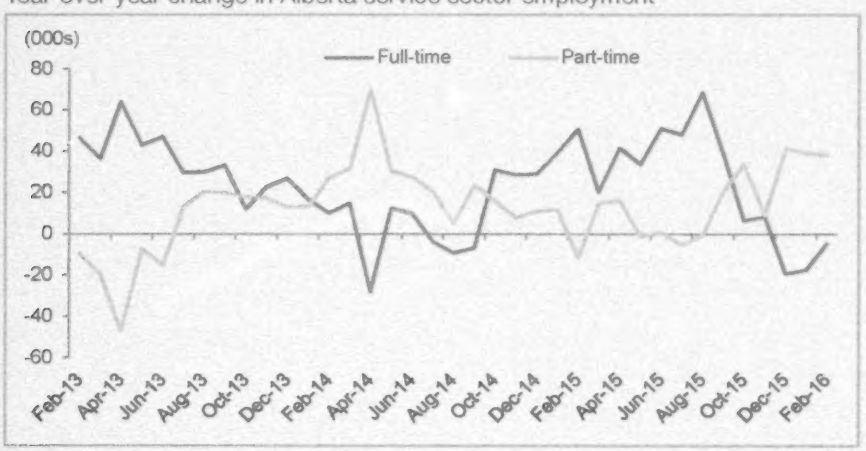
Increase is involuntary

As with the 2008-09 recession, the most recent increase in part-time employment is due to an increase in involuntary part-time workers; those who are working part-time because of business conditions or they could not find full-time work. In February, involuntary part-time employment increased 37,700 y/y. The number of involuntary part-time workers increased an average of 18% in 2015, and was up 55% over the first two months of 2016.

Gains in full-time service jobs

The decline in oil prices in 2015 eased labour market conditions, enabling businesses in the service sector to hire. Service sector employment increased by 43,000 in 2015, while the goods sector lost 16,500 jobs. The increase in service sector full-time jobs came from educational services, health care and social assistance, and transportation and warehousing sectors.

Chart 2: Part-time, service job gains offsetting full-time, service job losses
Year-over-year change in Alberta service sector employment



Source: Statistics Canada

Signs of slowing in services

Resiliency in Alberta's service sector employment provided an offset to large declines in the goods sector in 2015. However, service sector employment is showing signs of softening. Over the past three months, service sector full-time jobs declined year-over-year (Chart 2). Part-time service sector employment remains strong though, due to gains in information, culture and recreation, trade, and health care and social assistance industries.

Have a question or idea for Labour InSight? Send us an email.

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